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UNITED STATES DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA  
 SAN FRANCISCO DIVISION

UNITED STATES OF AMERICA,  
 Petitioner,  
 v.  
 WILLIAM L. VEGHTE,  
 Respondent.

Case No. 14-CV-5565 (JST)  
**STIPULATION AND ~~PROPOSED~~  
 ORDER TO TRANSFER ACTION TO  
 THE UNITED STATES DISTRICT  
 COURT FOR THE WESTERN  
 DISTRICT OF WASHINGTON**

1 Petitioner United States, Respondent William Veghte ("Veghte"), and Proposed Intervenor  
2 Microsoft Corporation ("Microsoft") (collectively, the "Parties") by and through the undersigned  
3 counsel, hereby enter into this Stipulation and [Proposed] Order to Transfer Action to the United  
4 States District Court for the Western District of Washington pursuant to 28 U.S.C. § 1404(a) with  
5 reference to the following facts:

6 Whereas on December 11, 2014, Petitioner initiated an action against Microsoft in the United  
7 States District Court for the Western District of Washington to enforce a "designated" summons  
8 served on Microsoft in connection with the Internal Revenue Service's ("IRS") examination of  
9 Microsoft's 2004 through 2006 taxable years;

10 Whereas, the IRS has issued additional "related" summonses that "relate[]" to the same return  
11 as such designated summons";

12 Whereas, to date, the IRS has issued eighteen such "related" summonses to Microsoft, third-  
13 party recordkeepers, current employees, and former employees, including Respondent. All of the  
14 "related" summonses seek documents and testimony in connection with Microsoft's 2004 through  
15 2006 audit;

16 Whereas, to date, Petitioner has filed twelve enforcement actions with respect to the "related"  
17 summonses, ten of which are pending in the United States District Court for the Western District of  
18 Washington;

19 Whereas, all of the "related" enforcement actions pending in the United States District Court  
20 for the Western District of Washington, in addition to *United States v. Microsoft Corp.*, 2:14-mc-  
21 00117-RSM, are pending before the Honorable Ricardo S. Martinez;

22 Whereas, the enforcement actions pending in the United States District Court for the Western  
23 District of Washington and this action involve numerous common questions of law and fact,  
24 including but not limited to, Respondent's and Microsoft's defenses to enforcement;

25 Whereas, on December 22, 2014, Petitioner initiated this action by filing a Petition to  
26 Enforce Internal Revenue Service Summons (DE 1) in the United States District Court for the  
27 Northern District of California to enforce the "related" summons against Respondent, Microsoft's  
28

1 former employee who worked at Microsoft's headquarters in Redmond, Washington during the  
2 Microsoft audit years and now resides in the Northern District of California;

3       Whereas, on December 30, 2014, counsel for Respondent conferred with counsel for  
4 Petitioner regarding Respondent's desire to move to transfer this action to the United States District  
5 Court for the Western District of Washington in light of the ten other actions to enforce "related"  
6 summons pending in that district, along with the underlying action to enforce the "designated"  
7 summons that is also pending in that district;

8       Whereas, on December 30, 2014, Microsoft filed a Motion to Intervene in this action, on the  
9 grounds that 26 U.S.C. § 7609(b)(1) provides Microsoft with an unconditional right to intervene;

10       Whereas, on January 7, 2015, Petitioner filed a statement of non-opposition to Microsoft's  
11 motion to intervene;

12       Whereas, Microsoft has filed motions to intervene in the nine other pending actions in which  
13 it is not a named party, and the United States has filed statements of non-opposition in each of those  
14 cases;

15       Whereas, Microsoft has also filed motions to consolidate the cases pending in the United  
16 States District Court for the Western District of Washington with the action to enforce the  
17 "designated" summons;

18       Whereas, Microsoft and the United States have reached an agreement on consolidating the  
19 cases currently pending in the United States District Court for the Western District of Washington,  
20 as reflected in a stipulated motion filed on January 13, 2015;

21       Whereas, on January 12, 2015, counsel for Petitioner informed counsel for Respondent that it  
22 would consent to transfer this action to the United States District Court for the Western District of  
23 Washington pursuant to 28 U.S.C. § 1404(a);

24       Whereas, the Parties believe that transferring this action to the United States District Court  
25 for the Western District of Washington so that this case, along with the twelve other actions, may be  
26 heard by a single judge to ensure that the relevant issues are disposed of consistently in the multiple  
27 enforcement actions;

1           Whereas, the United States District Court for the Western District of Washington has subject  
2 matter jurisdiction over this action pursuant to 26 U.S.C. § 7402(a) and 28 U.S.C. § 1345;

3           Whereas, the United States District Court for the Western District of Washington has  
4 personal jurisdiction over the Parties because Petitioner is the Government, Microsoft's principal  
5 place of business is in the state of Washington, and Respondent hereby consents to personal  
6 jurisdiction in the state of Washington solely for purposes of this action;

7           Whereas, venue would be proper in the United States District Court for the Western District  
8 of Washington because the Parties expressly consent to venue in that district;

9           Whereas, if this Court issues the requested order transferring this action to the United States  
10 District Court for the Western District of Washington, Microsoft and the United States would move  
11 to consolidate this case with the other summons enforcement actions pending in that district before  
12 the Honorable Ricardo S. Martinez

13           Whereas, Respondent and Microsoft enter into this stipulation and agreement on the  
14 condition that it will not have any prejudicial effect on any kind or type whatsoever on their rights,  
15 including but not limited to arguments, affirmative defenses, legal theories, or any other rights. To  
16 be clear, this Stipulation relates solely to transferring the venue of this action in order to streamline  
17 the proceedings, conserve judicial and party resources, and avoid inconsistent orders;

18           Now, therefore, good cause appearing, the Parties hereby stipulate and respectfully request  
19 the Court enter an order transferring this action to the United States District Court for the Western  
20 District of Washington pursuant to 28 U.S.C. § 1404(a) for the convenience of the parties and in the  
21 interest of justice. All signatories listed, and on whose behalf the filing is submitted, including that  
22 below, concur in the filing's content and have authorized the filing.

1 Dated: January 15, 2015

Respectfully submitted,

2  
3  
4 By: /s/

NOREENE STEHLIK  
Trial Attorney  
U.S. Department of Justice  
Attorneys for Respondent

7 THE UNITED STATES OF AMERICA

8  
9 Dated: January 15, 2015

Respectfully submitted,

10  
11 By: /s/

Scott H. Frewing  
BAKER & MCKENZIE LLP  
Attorneys for Petitioner  
WILLIAM L. VEGHTE

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14  
15  
16 Pursuant to General Order No. 45, Section X(B), Scott H. Frewing hereby attests that the  
17 signatory's concurrence in the filing of this document has been obtained.

18  
19 **~~[PROPOSED]~~ ORDER**

20 Based upon the foregoing Stipulation and good cause appearing, IT IS SO ORDERED:

21 1. This action is transferred to the United States District Court for the Western District  
22 of Washington pursuant to 28 U.S.C. § 1404(a) for the convenience of the parties and in the interest  
23 of justice.

24 Dated: January 16, 2015

